



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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September 8, 1999

CERTIFIED RETURN RECEIPT P 074 976 755

Robert Steele
1055 North 400 East
Nephi, Utah 84648

Dear Mr. Steele:

Re: Small Mine Operation Exceeding Five Acres of Disturbance, Levan Gypsum Project, S/023/016, Juab County, Utah

This letter is sent to notify you that your mining operation was inspected on July 28, 1999 by Division staff. Measurements were made of the disturbed area and it was found to be greater than five acres, the threshold for a small mining operation. As you know, a mine site that exceeds five acres of surface disturbance falls into the large mining operation category. During the inspection of the site, evidence of recent mining activity was observed. The affected area was measured with a hip chain to determine the overall disturbed acreage.

- The upper pad area was 360 feet by 300 feet = 2.5 acres in size;
- The road to the upper area from the lower pad was 1.4 miles long, 20 foot average width = 3.5 acres;
- The lower pad was 500 by 75 feet = 2 acres.

The total of these three areas is eight (8) acres of disturbance, which makes the project fall into the large mining operation category. If you believe this acreage is incorrect, please provide a registered survey and appropriate justification to this office by September 20, 1999. Eight acres exceeds the five acre limitation of your small mining notice; therefore, this project would need to be permitted as a large mining operation. We have not received a Notice of Intention to Commence Large Mining Operations (LMO) from you for this project.

The expansion of this small mine operation beyond the five acre requires your immediate attention to avoid formal noncompliance enforcement action. In order to allow you to continue mining within the current disturbed area(s), the Division will require you to choose one of the following options:

1. Commence immediate reclamation of the mine site to reduce your surface disturbance to five (5) acres or less, by backfilling/regrading/recontouring and reseeded. This work must be completed no later than October 30, 1999; or

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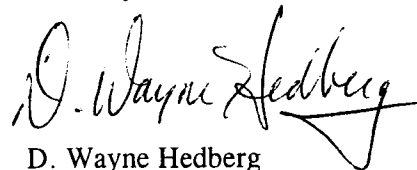
2. Post an *interim reclamation surety* in the amount of \$24,000 within 30 days of your receipt of this letter. This amount is a conservative estimate of the projected costs for the Division to reclaim the site in its present condition (@ 8 acres x \$3000/acre). This reclamation surety amount will be adjusted accordingly upon final approval of your large mining operation permit application; and
3. File a complete and technically adequate Notice of Intention to Commence Large Mining Operations (FORM MR-LMO) with this office within 60 days of your receipt of this letter. A requisite \$350 permit application fee is required to accompany a new LMO with less than 50 acres of disturbance.

At the present time, LMO's require at least nine to twelve months for processing and Division approval. A copy of the LMO form and the mineral rules are enclosed for your use. Posting of an interim reclamation surety will allow you to operate within the existing permit area until the LMO is approved.

If you do not post an *interim* reclamation surety or conduct timely reclamation of the excess disturbance, we will be forced to initiate formal enforcement actions. Those actions could include, but not be limited to any or all of the following: a Notice of Noncompliance, a Notice of Agency Action (requiring a formal public hearing), cessation of operations, permit revocation, immediate reclamation, fines and/or other appropriate penalties as authorized by state mining laws.

If you have any questions regarding the requirements in this letter, please contact me at (801) 538-5286. If I am unavailable, please contact Tom Munson (538-5321) or Lynn Kunzler (538-5310) of the Minerals Reclamation Program at your earliest convenience. Thank you for your cooperation in resolving this situation.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
Enclosures: Rules, MR-LMO form
cc: Will Wilson, USFS Ferron District
Mary Ann Wright, DOGM
Lynn Kunzler, DOGM

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